



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

August 25, 2016

RANDY A. UDELL, TREASURER
DEMOCRATIC PARTY OF WISCONSIN
15 N. PINCKNEY SUITE 200
MADISON, WI 53703

Response Due Date

09/29/2016

IDENTIFICATION NUMBER: C00019331

REFERENCE: AMENDED APRIL MONTHLY REPORT (03/01/2016 - 03/31/2016),
RECEIVED 05/13/2016

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following **10** item(s):

1. The totals listed on Line(s) 6(c), 7, 11(c), 11(d), 12, 17, 19, 20, 21(a)(i), 21(a)(ii), 21(b), 21(c), 30(b), 30(c), 31 and 32, Column B of the Summary and Detailed Summary Page(s) appear to be incorrect. Column B figures for the Summary and Detailed Summary Pages should equal the sum of the Column B figures on your previous report and the Column A figures on this report. Please file an amendment to your report to correct the Column B discrepancies for this report and all subsequent report(s) which may be affected by this correction. Note that Column B should reflect only the Calendar Year-to-Date totals. (52 U.S.C. §30104(b) (formerly 2 U.S.C. § 434(b)))
2. Your calculations for Line 8 appear to be incorrect. Cash on hand at the close of the current reporting period should always equal the closing calendar year to date cash on hand amount. Please provide the corrected total on the Summary Page. (52 U.S.C. §30104(b) (formerly 2 U.S.C. § 434(b)))
3. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B and H4 to clarify the following description(s): "Reimbursement-See memo" to "Econo Lodge Inn and Suites - Stevens Point." (11 CFR §§104.3(b)(3) and 104.10(a)(4))

Additional clarification regarding inadequate purposes of disbursement

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published in the Federal Register can be found at: http://www.fec.gov/law/policy/purposeofdisbursement/inadequate_purpose_list_3507.pdf

4. Please amend your report by providing the address for each disbursement itemized on Schedule(s) B supporting Line(s) 21(b). (11 CFR §§104.3(a)(4) and 104.10(4))

5. Schedule B of your report discloses reimbursements to individuals for "Reimbursement-See memo." Please be advised that when itemizing reimbursements to individuals for goods or services, if the payment to the original vendor aggregates in excess of \$200 in a calendar year, a memo entry including the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule B, which reimbursement each memo entry relates to. If itemization is not necessary, you must indicate so in an amendment to this report. (11 CFR §104.9, and Advisory Opinions 1992-1 and 1996-20, footnote 3)

6. Schedule H4 of your report discloses reimbursements to individuals for "Reimbursement-See memo." Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must include the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule H4, which reimbursement each memo entry relates to. (11 CFR § §104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3)

7. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B of your report to clarify the following description(s): "Merchandise." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

8. On Schedule H4, your allocated activity or event year-to-date total calculations for the Administrative category are incorrect. Allocated activity or event year-to-date totals for administrative, voter drive, exempt activity costs and expenses for public communications made by PACs referencing only political parties are derived by aggregating all disbursements during the calendar year for each separate category. Allocated activity or event

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year-to-date totals for fundraising and direct candidate support activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous event year-to-date total for that category or event. This running event year-to-date total should be disclosed after each disbursement is listed. Please amend your report by providing the correct event year-to-date totals. (11 CFR §§104.10(b)(2) and 104.17(b)(1)(ii))

9. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Health Insurance," "Payroll- see memo" and "Salary." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal Election Activity (FEA) or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding any improper allocation activity, your prompt action will be taken into consideration.

10. Schedule H4 discloses \$1,089.10 in activity identified as MEMO entries that do not appear to correspond with any itemized transaction(s). Please be advised, a memo entry is used to disclose additional information about an itemized transaction and the amount of a memo entry is not included in the total receipts or disbursements for the report. Please amend your report to provide clarifying information regarding this activity. (11 C.F.R. § 104.3(a) and (b))

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to

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taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1143.

Sincerely,



Kaitlin Seufert
Sr. Campaign Finance & Reviewing Analyst
Reports Analysis Division

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